

06-03-2002



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 5-29-02 North Atlantic Operating Company, Inc. [] Individual(s) [] Association [] General Partnership [] Limited Partnership [x] Corporation-State Delaware [] Other Additional name(s) of conveying party(ies) attached? [] Yes [x] No

2. Name and address of receiving party(ies) Name: Bank One, Kentucky, NA Internal Address: Street Address: 416 West Jefferson Street City: Louisville State: KY Zip: 40202 [] Individual(s) citizenship [x] Association [] General Partnership [] Limited Partnership [] Corporation-State [] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [] Yes [] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [] Yes [x] No

3. Nature of conveyance: [] Assignment [] Merger [x] Security Agreement [] Change of Name [] Other Execution Date: December 29, 2000

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) See attached Schedule A Additional number(s) attached [x] Yes [] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Cynthia L. Stewart Internal Address: Frost Brown Todd LLC 32nd Floor Street Address: 400 W. Market Street City: Louisville State: KY Zip: 40202-3363

6. Total number of applications and registrations involved: 19 7. Total fee (37 CFR 3.41): \$ 490.00 [x] Enclosed [] Authorized to be charged to deposit account 8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Cynthia L. Stewart Name of Person Signing [Signature] Signature 5-29-02 Date Total number of pages including cover sheet, attachments, and document: 8

05/31/2002 LMUELLER 00000217 1775416 01 FC:481 40.00 02 FC:482 450.00 01

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002517 FRAME: 0036

SCHEDULE A

TRADEMARKS OF NORTH ATLANTIC OPERATING COMPANY, INC.

Trademark	Current Owner	Registration No. and Date Issued
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	1,775,416 June 8, 1993
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	1,512,985 November 15, 1988
ZIG-ZAG	North Atlantic Operating Co. Inc.	1,472,580 January 12, 1988
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	1,133,291 April 15, 1980
ZIG-ZAG GOLD STANDARD	North Atlantic Operating Co. Inc.	2,122,646 December 23, 1997
ZIG-ZAG (Stylized Letters)	North Atlantic Operating Company, Inc.	75/824,284
ZIG-ZAG and Design	North Atlantic Operating Company, Inc.	75/824,282
ZIG-ZAG	North Atlantic Operating Co. Inc.	75/255,066
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	2,512,921 November 27, 2001
MISCELLANEOUS DESIGN	North Atlantic Operating Company, Inc.	75/824,285
NORTH ATLANTIC TRADING COMPANY	North Atlantic Operating Company, Inc.	76/115,214
NORTH ATLANTIC OPERATING COMPANY, INC. and Design	North Atlantic Operating Company, Inc.	78/092,299
NORTH ATLANTIC OPERATING COMPANY, INC. and Design	North Atlantic Operating Company, Inc.	78/092,298
NORTH ATLANTIC OPERATING COMPANY	North Atlantic Operating Company, Inc.	78/091,719
NORTH ATLANTIC OPERATING COMPANY	North Atlantic Operating Company, Inc.	76/115,213
HOMETOWN	North Atlantic Operating Company, Inc.	78/091,716
ELKHORN	North Atlantic Operating Company, Inc.	78/090,406
RED BARON	North Atlantic Operating Company, Inc.	78/089,188
H HOMETOWN and Design	North Atlantic Operating Company, Inc.	78/092,794

**ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, NORTH ATLANTIC OPERATING COMPANY, INC., a Delaware corporation, and the successor to NATC Holdings, USA, Inc. and to North Atlantic Trading Company, Inc. (the "Assignor"), with principal offices at 257 Park Avenue South, 7th Floor, New York, NY 10010-7304, hereby assigns and grants to BANK ONE, KENTUCKY, NA, as Agent Bank, on behalf of itself and the other Banks, with principal offices at 416 West Jefferson Street, Louisville, Kentucky 40202 (the "Assignee"), a security interest in (i) all of the Assignor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, together with (ii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks, (iii) the goodwill of the businesses with which the Marks are associated and (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

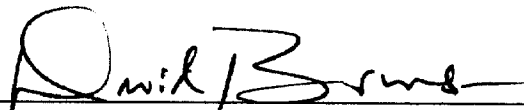
THIS ASSIGNMENT OF SECURITY INTEREST (this "Assignment") is made to secure the satisfactory performance and payment of all the Obligations of the Assignor, as such term is defined in the Security Agreement, dated as of December 29, 2000, among Assignor, NATIONAL TOBACCO COMPANY, L.P., NORTH ATLANTIC TRADING COMPANY, INC. and NATIONAL TOBACCO FINANCE CORPORATION and Assignee, acting as Agent Bank (as amended, modified or supplemented from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Assignee shall, upon such satisfaction, execute, acknowledge, and deliver to the Assignor an instrument in writing releasing the security interest in the Marks acquired under this Assignment.

This Assignment has been granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Assignment are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

* * *

IN WITNESS WHEREOF, the undersigned have executed this Assignment
as of the 8th day of May, 2002.

NORTH ATLANTIC OPERATING COMPANY, INC.
as Assignor

By 
Title: EVP

BANK ONE, KENTUCKY, NA, as Agent Bank and as
Assignee

By 
Joseph Brenner, Senior Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 8th day of May, 2002 before me personally came

David Brunson who, being by me duly sworn, did state as follows: that she/he is the
EVP of NORTH ATLANTIC OPERATING COMPANY, INC., that she/he is
authorized to execute the foregoing Assignment on behalf of said corporation and that she/he did
so by authority of the Board of Directors of said corporation.

Stephanie D. Robertson
Notary Public

STEPHANIE D. ROBERTSON
Notary Public, State of New York
No. 01R05084909
Qualified in Queens County
Commission Expires Sept. 15, 2005

My commission expires: 9/15/05.

STATE OF COMMONWEALTH OF KENTUCKY)

) ss.:

COUNTY OF JEFFERSON)

On this 17th day of May, 2002 before me personally came

Joseph BRENNER who, being by me duly sworn, did state as follows: that she/he is the

SENIOR VICE PRESIDENT of BANK ONE, KENTUCKY, NA, that she/he is authorized to execute

the foregoing Assignment on behalf of said bank and that she/he did so by authority of the Board

of Directors of said bank.

Tom S. Leggin

Notary Public

My commission expires: 3/21/06